



LEGISLATIVE FINANCE COMMITTEE

59TH Montana Legislature

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

SENATE MEMBERS
JOHN COBB, CHAIRMAN
KEITH BALES
MIKE COONEY
RICK LAIBLE
DON RYAN
CAROL WILLIAMS

HOUSE MEMBERS
ROSALIE BUZZAS, VICE CHAIRMAN
GARY BRANAE
TIM CALLAHAN
RAY HAWK
RICK RIPLEY
JOHN SINRUD

MINUTES

HIFA WAIVER WORKGROUP CONFERENCE CALL

February 9, 2006
Room 152, State Capitol
Helena, Montana

Call to Order (Tape 1A-002)

The HIFA Waiver Workgroup met via conference call on February 9, 2006 at 1:30 p.m. in Room 152 of the State Capitol.

The following members were present:

Sen. John Cobb
Rep. Hawk
Sen. Carol Williams

Jerry Anderson, CMS
Bob Anderson, OBPP
John Chappius, (DPHHS)
Rep. Mary Caferro
Lois Steinbeck, LFD
Susan Fox, LSD
Steve Yeakal, MCMCH
Diane McDuffie, Secretary

Attachments

Roll Call
Visitor's list
Exhibit #1

Clarification of the Maintenance of Effort (MOE) (Tape 1A-039)

The workgroup requested that the staff estimate the Maintenance of Effort (MOE) required under the HIFA waiver be updated to include observations made by DPPHHS. The staff paper estimated MOE at \$5.0 million. However, the MOE is closer to \$7.6 million. Figure 2 of the staff report has been updated to reflect this change and is included in this memo for references.

Mr. Chappius said he had met with Ms. Steinbeck and that DPHHS would go with her number. Ms. Steinbeck said as a point of clarification that the actual MOE will depend on the money actually spent, so it will vary somewhat from the approximately \$7.6 million presented.. **Senator Cobb** asked Mr. Chappius if the \$7.6 million was what was going to be presented to the Governor. Mr. Chappius said yes the \$7.6 million was what was going into the concept paper. **Representative Hawk** asked if the amount put in wasn't up to federal government requirements. **Senator Cobb** said it wasn't a requirement in the concept paper. He added that the federal government had not commented on it in their return to us. The MOE will actually be determined when they evaluate the waiver. **Representative Hawk** next asked if the committee could vary off the \$7.6 million. **Senator Cobb** that was correct. **Senator Williams** thought to keep it clean the committee should make some kind of motion.

MOTION (TAPE 1A-074) **Senator Williams** moved to request that DPHHS include the specific clarification of the MOE estimate in the HIFA waiver proposal. **VOTE:** Motion carried unanimously.

Cost to Maintain Enrollment of Adults and Children Transitioning off Medicaid (Tape 1A-81)

Senator Cobb reiterated that the issue with enrollment of adults and children transitioning off Medicaid was that it would cost the state \$282,123 in matching funds to keep the enrollment level. He asked if the committee wanted to request DPHHS to include funding to continue the enrollment in the Executive Planning Process (EPP) and give the request a high department priority. The committee could also do nothing or say no. Mr. Chappius said DPHHS planned to put the above figure into their EPP package, but the outcome would depend upon resources as to whether it would make it through the budget cutting process. **Representative Hawk** asked where the funding would come from to cover this. Mr. Chappius said it would come from the Governor's EPP, if the waiver was approved at all.

MOTION (TAPE 1A-107) **Senator Williams** moved that the committee request that DPHHS move forward to include the funding to continue enrollment in the EPP and to give the request a high department priority. **VOTE:** Motion carried unanimously.

CHIP Outreach Cost Estimate (TAPE 1A-127)

Senator Cobb said the question had been did the committee wish to have the Legislative Finance Committee (LFC) continue to monitor CHIP enrollment and outreach including the cost of outreach. Mr. Chappius said DPHHS had been exhaustive in its efforts to advertise and enroll children in the programs, including reducing the application from 16 pages to 3 pages. They were considering contracting with county health departments and tribal organizations to help in getting enrollees signed up. He said, if the media effort was not successful, they would go back to the measures they had been using and use the ones they were considering to get applicants enrolled. **Senator Williams** said she had gotten the packet that **Jackie Forbet** sent out and felt a follow-up with the legislators in some of the big counties and reservations asking them to help a

little more with the efforts to increase enrollment would be helpful. **Representative Hawk** said he had not received the packet. There was a question as to whether they had gone out to the legislators or only to **Senator Williams**. It was determined that **Senator Williams** had received the packet because she was on the Bulldog Committee. Mr. Chappius said he would talk to **Jackie Forbet** about sending the packet out to all the legislators.

MOTION (TAPE 1A-180)

Representative Hawk moved that the work group request that LFC continue to monitor CHIP enrollment and outreach including the cost of outreach. **VOTE:** Motion carried unanimously.

Senator Cobb said he wanted to add to the CHIP issue the question of, if the CHIP enrollment didn't go up, why were they doing the CHIP look a like that is in the HIFA waiver. He asked why didn't we move the money somewhere else. Mr. Chappius said he wasn't sure the money could be moved because of the make up of the money. Until they could leverage it with federal funds, it was tied into the Mental Health Services Program (MHSP) program and MCHA. Mr. Chappius said the latest stats that DPHHS had said that the number of children that were at 150 percent of poverty was about 17 thousand.

They did not know how many were covered by the Indian Health Services (IHS) because the census data does not consider IHS to be an insurance program. He said was making inquiries, but his guess was that the figure would be six or seven thousand kids. He said if they were able to fully fund the CHIP program and do the waiver and then do the asset test where they estimate how many will move and refill CHIP, then they would be down to five thousand kids left. That would saturate that population. The question that needed to come from the state-planning grant would be if we should look into changing the federal poverty level for the CHIP program.

Ms. Fox asked Mr. Chappius if IHS is not considered insurance, and doesn't cover the same services as CHIP, and there is no exclusion that you can't be on both; why would he use their numbers to reduce the number of children. Mr. Chappius answered that it depended on how it all worked out. IHS had a different provider network and was underinsured. The questions were: Is there a motivation for the eligible participants to leave IHS and go to CHIP and/or Medicaid? Would there be a need to have other services than what is provided by the IHS clinics?

Should we not count IHS enrollees? (He answered, "no.") Should we consider the IHS enrollees to be underinsured? (He answered, "yes".) He also, said we should take the underinsured fact into account in any policy planning.

Senator Cobb said the reason he asked his question about the look a like HIFA program was that if we could not get the enrollment in the CHIP program, the question was going to be asked, "What were they funding the look a like program." Mr. Chappius said if we didn't get the enrollment we would have to take a step back and look at it. Waivers are easily amended. **Rep Caffero** asked Mr. Chappius if he could clarify that if the amount of federal funds would be the same but maybe instead of appropriating the set amount to the CHIP look a like, the unused money could be put toward SED kids or some other or the expanded populations. Mr. Chappius answered that it could be done through a waiver amendment. However, there are state

requirements for changes in an 1115 Waiver more so than in other waivers. It would require an extensive comment period.

Other Workgroup Decision Points (TAPE A1-291)

- a) *Does workgroup wish to make a formal endorsement of the HIFA waiver?*
The decision was to not take action now.
- b) *Does the workgroup wish to take action on the first item listed for consideration on the top of 8 to obtain information from the Office of Budget and Program Planning on its estimates of income and expenditures from tobacco tax revenue each year of the HIFA waiver?*

Ms. Steinbeck said the issue was that the Department of Budget and Program Planning had been monitoring the Tobacco Control receipts and it would have had to make projections on programs and expenditures as well revenues coming in. She had wondered if the committee wanted the budget office to break out the funding by state source in the Tobacco Tax Revenue to fund the waiver services each year compared to the other major programs and services for its most recent revenue projections plus the next biennium

MOTION. (Tape 1A-319) **Senator Cobb** moved that we request the Office of Budget and Program Planning break out funding by state source to determine how much Tobacco Tax Revenue is anticipated to fund waiver of services each year compared to the other programs and services funded from the tax compared to its most recent revenue projections.

VOTE: Motion carried unanimously.

- c) *Does the workgroup wish to request that the LFC continue to monitor certain issues in order to provide input as necessary? If so, would the workgroup wish to refer any of the following issues for further LFC consideration: (TAPE 1A-397)*

- 1) *Use of the additional \$1.3 million for mental health services under the proposed waiver*

MOTION. (TAPE 1A-445) **Senator Cobb** moved that the LFC continue to monitor the \$1.3 million for mental health services under the proposed waiver and any EPP related recommended changes. **VOTE:** Motion passed unanimously.

- 2) *Enrollment of eligible Mental Health Service Plan participants in the new Medicare Part D prescription drug program and all issues associated with such enrollment (TAPE 1A-453)*

Representative Hawk said he wasn't clear on the issue. Ms. Steinbeck explained that some disabled people were not economically eligible for Medicaid but were eligible for Medicare and therefore eligible for Medicare D the drug prescription process. If the participants qualified, it would free up fund money that would go for prescriptions to go for other uses. Mr. Chappius said they did not have the complete tape back so that the department

could verify everyone who was eligible. There would be savings that could be redirected to take care of the waiting list of those wanting services. Hopefully the list would be reconciled by May 1. From then on it might be a requirement that those eligible enroll.

MOTION. (TAPE 1A-571) **Representative Hawk** moved that we continue to monitor the enrollment of eligible MHSP participants into the Medicare Part D prescription program and all issues associated with such enrollment; and that we will have a report in March. **VOTE:** Motion passed unanimously.

- 3) *Use of the physical health benefit as it relates to supplanting services that are to be provided through block grant payments to Community Mental Health Centers (CMHC).* (TAPE 1A-587)

Mr. Chappius said that it was never the intent that funds for the physical health benefit be rolled over and used for mental health.

MOTION. (TAPE 1B-041) **Senator Cobb** moved that the committee get an update from DPHHS in June on the waiver and policy changes and differences. **VOTE:** Motion passed unanimously.

- 4) *Management of the population that may move between MHSP and Medicaid eligibility.*

Ms. Steinbeck said this issue concerned those people who were under MHSP because of income level and then, because of their own expenditures, fell into the Medicaid category. The worry was continuity of care for these people. If they become eligible for Medicaid and there isn't a slot, there would be a continuity problem. This could also happen in reverse. It is a management/tracking issue. Mr. Chappius said around one third of the people on MHSP will be Medicare eligible. There will also be those that are and will continue to be Medicaid eligible. The ones that are strictly MHSP may have a loss of services issue. This would be handled with the contracts. The MHSP folks may have to wait for services just as they do now. He said DPHHS intended to ask for more slots than they would need.

MOTION. (TAPE 1B-152) **Senator Cobb** moved that the committee just comment that we are aware that continuity of care as participants move between MSHP and Medicaid is a management issue and hope that DPHHS is aware of it also. **VOTE:** Motion passed unanimously.

Representative Caferro's Requests of Workgroup (TAPE 1B-154)

- a) *Request that DPHHS raise the eligibility limit for the CHIP look a-like slots to 200 percent of the federal poverty limit in its proposal to the Centers for Medicare and Medicaid Services*
- b) *Take legislative action to "roll" any unspent funds allocated for CHIP look alike slots forward to the following year to increase enrollment in the CHIP look alike program*

Senator Cobb announced that Representative Caferro had withdrawn her requests.

Representative Caferro said the reason she was withdrawing her requests was that her concern or goal that money not spent for one group under the waiver would be spent for another group's health care and not just lost had been met.

Mr. Chappius then explained why he had not liked her proposal of raising the CHIP look a likes to 200 percent of the federal poverty limit. One reason was that he had personally testified to the legislature that the limit would be 150 percent and that Senate Bill 110 was taken with that understanding. The second reason was that if they tried to take the Medicaid Waiver, which is at the minimum eligibility level, above the CHIP level of 150 percent they would have something that CMS would object to. **Senator Williams** ask Mr. Chappius if the legislature decided to go to 200 percent would they be in violation of what they could maintain in the waiver. Mr. Chappius said if the legislature decided to move the CHIP amount to 200 percent they could then amend the waiver.

Appropriation Restrictions Limit DPHHS Flexibility (TAPE 1B-210)

Senator Cobb referred to "2007 Biennium Restricted State Funding Appropriations – DPHHS" and other information concerning restrictions on pages five and six of the exhibit. He said he felt it was up to the legislature and its committees as to whether there would be restrictions or not. Both **Senator Williams** and **Representative Hawk** agreed with his assessment.

Senator Cobb asked if there were any other motions from the committee or the public. There were none.

Mr. Chappius commented that he agreed for the most part with everything in the waiver and would try his best to get it approved by CMS. He also said that he was worried by the reductions in entitlements by the federal government. He said he didn't think that the federal government was going to worry about the State of Montana's HIFA waiver.

Adjournment (Tape 1B-281)

The meeting was adjourned at 2:45 p.m.